



Government of
Saskatchewan

Annual Report 1983-84

Saskatchewan Agriculture

The Market Development Fund

**The Saskatchewan Market
Development Fund**

To His Honour,
The Honourable Frederick W. Johnson
Lieutenant Governor of the Province of
Saskatchewan

Sir:

I have the honour to submit the Tenth Annual
Report of the Saskatchewan Market Development
Fund for the period April 1, 1983 to March 31,
1984.

I have the honour to be, Sir,

Your obedient servant
Lorne H. Hepworth
Minister of Agriculture



**The Saskatchewan Market
Development Fund**

Honourable Lorne Hepworth
Minister of Agriculture

Dear Sir:

It is my pleasure to present the Tenth Annual
Report of the Saskatchewan Market Development
Fund for the period April 1, 1983 to March 31,
1984.

Respectfully submitted
Jack Drew
Deputy Minister of Agriculture,
and Chairman of the Market Development
Committee



Constitution of the Market Development Committee

Market Development Committee

**J. L. Drew — Chairman — Saskatchewan
Agriculture**

**J. D. Saum — Vice Chairman — Saskatchewan
Agriculture**

M. F. Shaw — Saskatchewan Finance

**N. J. Barsi — Saskatchewan Economic
Development and Trade**

J. A. Buchan — Saskatchewan Agriculture

**V. D. Fritzler — Secretary — Saskatchewan
Agriculture**

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Onion Market Development, Phase I			
Saskatchewan Purebred Swine Breeders Book			



I. Organization

The Market Development Fund is established under The Agricultural Products Market Development Fund Act, 1974 which was proclaimed by the Lieutenant Governor-in-Council on February 4, 1975. Regulations further defining activities of the Fund were made by Order-in-Council on April 29, 1975. Monies allocated for the purpose of the Market Development Fund are provided as an appropriation in the Department of Agriculture budget. In 1983-84, funds totalling \$294,250 were appropriated to that account.

The Fund is administered by the Market Development Committee which is established under the Act and is comprised of representatives from the Departments of Agriculture, Finance, and Economic Development and Trade. The Market Development Fund Co-ordinator, a staff position in the Marketing and Economics Division, Saskatchewan Agriculture, serves as Secretary and is responsible for providing administrative support to the Committee.

II. Objectives

The Market Development Fund has been established to provide assistance to encourage the exploration, development and expansion of markets for agricultural products produced or capable of being produced in Saskatchewan. Assistance from the Fund is available on a cost-shared basis to individuals, corporations, co-operatives or marketing agencies for the following purposes: trade and market development; product or process development; marketing intelligence; marketing research, business and feasibility studies; transport capability development. Assistance may take the form of grants, loans, forgivable loans, goods or services.

III. Activities of the Fund

During the year under review, the Market Development Fund provided financial assistance to a wide range of projects. Projects receiving support included a number of international trade exhibits and marketing missions, domestic and international trade exhibits and marketing missions, domestic and international market

promotions, product and process development projects, as well as several marketing and business feasibility studies. Several of the projects are longer term and assistance will span several years; others were initiated and completed during the year.

A. Trade Shows and Exhibitions

The Market Development Fund has provided financial assistance towards attendance and participation in a number of trade shows and exhibitions over the last several years in order to promote the development and expansion of markets for Saskatchewan food and agricultural products. In the year under review assistance was provided as follows:

1982 Royal Livestock Show, Stoneleigh

\$2,469 in assistance to the 1982 Royal Show Committee consisting of representatives from Canadian Western Agribition, Agricultural Development Corporation of Saskatchewan, and Saskatchewan Agriculture to attend the 1982 Royal Livestock Show in Stoneleigh, England to promote Saskatchewan livestock and semen sales and encourage participants to attend Agribition in the fall.

1983 Equitana Horse Show, Germany

To the Saskatchewan Quarter Horse Association \$2,700 to attend the 1983 Equitana Horse Show in Essen, West Germany to promote and develop European markets for Saskatchewan Quarter Horses.

1983 Royal Agricultural Show, Stoneleigh

\$3,490 to Canadian Western Agribition to attend the 1983 Royal International Agricultural Show in Stoneleigh, England to promote Saskatchewan livestock and semen sales and encourage participants to attend the Agribition in the fall.

1983 Royal Agricultural Society of the Commonwealth Conference

\$3,534 to Canadian Western Agribition to attend the 1983 Royal Agricultural Society of the Commonwealth Conference in Zambia-Zimbabwe to promote Canadian Western Agribition as an international marketplace for top quality livestock and encourage international sales of Saskatchewan livestock.

Piedmontese Show and Sale and Promotional Package

To the Canadian Piedmontese Association \$8,000 to promote and host the first ever Show and Sale of Piedmontese cattle in North America during Canadian Western Agribition, 1983. The event attracted considerable interest as evidenced by the international sales of Saskatchewan Piedmontese cattle that took place.

Three Elite Maine-Anjou Sale

\$3,275 to El Centro Sales Management, in conjunction with the Canadian Maine-Anjou Association, to host the 'Three Elite' Maine-Anjou Sale in Regina, Saskatchewan during December, 1983. The international event demonstrated the excellent quality of beef cattle available in Saskatchewan.

National Centennial Holstein Show and Sale

\$10,000 in assistance to the Saskatchewan Branch of the Holstein-Friesian Association of Canada to host a National Centennial Holstein Show and Sale during Buffalo Days '84 in Regina, Saskatchewan. The event promoted the Saskatchewan dairy industry at an international level as well as inform local consumers about the Saskatchewan and Canadian dairy industries.

B. Marketing Missions

Since its establishment, the Market Development Fund has supported a number of marketing missions involving both incoming and outgoing groups. These marketing missions are undertaken in an effort to develop and expand markets for Saskatchewan food and agricultural products. The effectiveness of such missions is frequently enhanced when undertaken in conjunction with other related marketing activities. A sequence in the development of markets may often involve 1) an outgoing market identification mission, 2) a follow-up seminar, 3) participation in a trade fair or show, and 4) an incoming mission of potential buyers. In the year under review assistance was provided as follows:

Embryo Market Development, Hawaii

To Miller Bros. Running MB Stock Farm Inc. \$511 to send a representative to Hawaii to negotiate the sale of embryos and embryo transplant services to firms based in that state. Leading cattle breeders in Hawaii are currently upgrading their breeding programs thereby creating the opportunity for sales from Saskatchewan.

Frozen Embryos to Hungary Project

\$4,722 in assistance to the Agricultural Development Corporation of Saskatchewan to send two representatives to Hungary to provide technical assistance for a sale of frozen embryos to that country, and to discuss future embryo transfer needs of Hungary with representatives of their Department of Agriculture.

1983 International Incoming Mission to Agribition

\$20,000 to Canadian Western Agribition to invite foreign buyers and delegates to Agribition '83 in order to promote recognition of Agribition as a major international livestock event, and to encourage international sales of Saskatchewan livestock. Canadian Western Agribition represents a tremendous opportunity for Western Canada, and for Saskatchewan in particular, to demonstrate the high quality of breeding stock producers have available for sale.

C. Agricultural Market Promotion

Marketing involves co-ordination of a series of activities often undertaken simultaneously or at various stages of development of a market. One activity in this sequence is the development and delivery of an effective promotion program.

In previous years the Market Development Fund has provided financial assistance to several agriculture related promotion programs. In the year under review there were a number of projects which involved varying degrees of promotional activities; assistance was provided as follows:

Pulse Growers Association Pulse Marketing Project

\$664 to the Saskatchewan Pulse Crop Growers Association to promote Saskatchewan pulse crops in domestic and international markets. Project activities include preparation of an institutional cookbook, promotional brochures and publications, and general information releases promoting Saskatchewan pulse crops.

Saskatchewan Is — Good Eating Promotion Campaign

\$1,233 to the 'Take Home a Taste of Saskatchewan' food promotion program, in co-operation with the Department of Tourism and Small Business, to undertake the "Enjoy a Taste of Saskatchewan" promotion campaign in order to promote increased awareness and consumption of Saskatchewan food products in Saskatchewan restaurants.

1982-83 BIC Beef Promotion

To the Beef Information Centre \$10,000 to conduct a major national beef promotion and advertising campaign during 1982-83. Project activities include consumer education, promotion and national advertising.

Bull Semen Market Development Program

To Saskatchewan Artificial Breeders Co-operative Ltd. \$554 to promote and develop new markets for the custom collection and sale of bull semen from the Yorkton A.I. unit by developing and distributing promotional literature and sire catalogues relating to all major breeds available in Saskatchewan.

Canola Oil Promotion Booklet

\$4,000 in assistance to the Canola Council of Canada to produce French and Spanish versions of its promotion/reference booklet, 'Canola Oil, Properties and Performance'. Publications of this nature provide the in-depth reference resource that fortifies technical and market development missions, scientific symposia and market-oriented exhibitions.

Honey Promotion and Market Development

To the Saskatchewan Beekeepers Association \$10,000 to participate with the Canadian Honey Council in undertaking a generic honey promotion campaign across Canada in order to encourage increased domestic sales of Saskatchewan and Canadian honey.

Marketing Plan for Shishliki, Kamsack Meats (Phase 1)

\$1,500 to Kamsack Meat Processors Ltd. to establish a marketing plan for Shishliki, a pre-cut marinated meat product somewhat like Souvlaki. The plan outlined promotional strategies for introducing Shishliki as a new barbecue product in the Saskatchewan marketplace, and establishing year-round markets for which the product also has potential.

Onion Market Development, Phase I

To Eildon Vale Farms Ltd. \$4,000 to establish a marketing plan for Saskatchewan grown onions. The plan outlined promotional strategies for increasing Eildon Vale Farms Ltd.'s share of the existing onion market, and increasing the total market demand for onions in Saskatchewan.

Saskatchewan Purebred Swine Breeders Book

\$1,252 in assistance to the Saskatchewan Swine Breeders' Association to prepare a Saskatchewan Purebred Swine Breeders Directory for distribution during major livestock events and other marketing efforts such as incoming/outgoing missions, in order to promote and develop international markets for Saskatchewan swine.

D. Packaging, Product and Process Development

Saskatchewan has traditionally played the role of major producer and exporter of agricultural raw materials. In keeping with the policy of agricultural diversification and establishment of value-added industry in the province, the government is encouraging the development of domestic and export markets for Saskatchewan processed products. One of the objectives of the Market Development Fund is to stimulate the diversification of the agricultural base and encourage value-added processing here in Saskatchewan. In the year under review assistance was provided as follows:

Sunflower Processing and Product Development

To C.S.P. Foods Ltd. \$4,154 to undertake product and process development and market testing of a new processed sunflower product.

New Approach to Flax Seed Mucilage Processing

To the Agricultural Development Corporation of Saskatchewan \$16,659 to evaluate the feasibility of establishing a flax seed mucilage extraction facility in Saskatchewan. The study involved both a review of existing processes for extraction and the development of alternative processes.

Intercon Ham Products and Market Development Project

\$1,439 in assistance to Intercontinental Packers Ltd. to develop a specialty type canned ham product that can satisfy a large existing market in the United States.

Mustard Meal Detoxification — Phase II

\$17,627 to C.S.P. Foods Ltd. to conduct pilot scale testing of the detoxification of mustard meal by ammoniation. The mustard meal product, which is the result of the production of high erucic oil for expanding markets in the United States, was analyzed chemically and tested in ruminant and non-ruminant feeding trials.

E. Market Intelligence, Research, Business and Feasibility Studies

Market intelligence and feasibility research involves systematically collecting, recording and analysing data about problems related to the marketing of goods and services. The ability to produce a product is only one step in the marketing chain; a business must also know that a product can fulfill a market need and generate a reasonable return. The intricacies involved in marketing a product are complex and it is wise for an operator to undertake the task of finding out about the market system, competition and feasibility of production prior to investing in production facilities. The Market Development Fund has, in the year under review, supported a number of projects to help individuals and organizations compete with foreign exporters' products as well as understand the marketing systems in which they have to compete. Market Development Fund assistance was provided to the following organizations to improve marketing information:

Lentil Evaluation and Market Development Project

To the Agricultural Development Corporation of Saskatchewan \$4,837 to compare the cooking quality of the Chilean, Laird, and Eston varieties of lentils in order to better promote the sale of lentils in world markets, and distribute the resulting information to farmers as well.

Flax Fiber Market Development

\$5,000 in assistance to Lin-Can Ltd. to conduct plant scale evaluations of the pulping characteristics of Saskatchewan flax fiber in order to determine its potential as a substitute for asbestos in European markets.

Feasibility of Industrial Potatoes in Saskatchewan

\$13,270 to the Saskatchewan Vegetable Marketing Commission to engage a consultant to determine the potential for utilization of industrial potatoes in Saskatchewan, primarily as a source of suppressant for Saskatchewan's potash industry.

Aberdeen Angus to Bulgaria Project

To the Agricultural Development Corporation of Saskatchewan \$2,890 to send three bred yearling Aberdeen Angus heifers to Bulgaria in order to enable the Bulgarians to assess their performance under Bulgarian livestock management systems. The Agricultural Development Corporation of Saskatchewan arranged the shipment in co-operation with the Saskatchewan Aberdeen Angus Association.

F. Other Projects**S.A.B.C. Extension and Distribution Program**

The Market Development Fund provided \$14,706 to Saskatchewan Artificial Breeders Co-operative Ltd. to undertake a comprehensive extension program involving the identification of genetically superior Saskatchewan owned beef and dairy sires to local Saskatchewan producers and other potential markets outside Saskatchewan and Canada. The project also enabled Saskatchewan Artificial Breeders Co-operative Ltd. to distribute commercial semen and breeding supplies to Saskatchewan cattle producers.

MDF Administration Account

This account was established to cover expenses related to publicity and administration of the Market Development Fund. During the year under review, expenses totalled \$1,130.

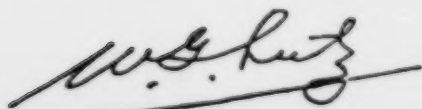
IV. Auditor's Report and Market Development Fund Financial Statements

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of The Market Development Fund as at March 31, 1984 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the fund as at March 31, 1984 and the results of its operations for the year then ended in accordance with the stated accounting policies applied on a basis consistent with that of the preceding year.



W. G. Lutz, F.C.A.,
Provincial Auditor

Regina, Saskatchewan
May 17, 1984.

Statement 1**The Market Development Fund****Balance Sheet****March 31, 1984**

	1984	1983
Assets		
Due from Consolidated Fund (Note 5)	<u>\$355,659</u>	<u>\$235,025</u>
Fund Balance		
Fund balance, beginning of year	\$235,025	\$339,381
Excess of revenue over expenditure (Statement 2)	<u>120,634</u>	<u>(104,356)</u>
Fund balance, end of year	<u>\$355,659</u>	<u>\$235,025</u>

*(See accompanying notes to financial statements)***Statement 2****The Market Development Fund****Statement of Revenue and Expenditure****Year Ended March 31, 1984**

	1984	1983
Revenue		
Transfer from the Department of Agriculture	\$294,250	\$275,000
Refunds of project advances	<u>—</u>	<u>13,500</u>
	<u>294,250</u>	<u>288,500</u>
Expenditure		
Financial assistance (Schedule 1) (Note 3)	172,486	390,240
Administration costs	<u>1,130</u>	<u>2,616</u>
	<u>173,616</u>	<u>392,856</u>
Excess of revenue over expenditure — to Statement 1	<u>\$120,634</u>	<u>\$(104,356)</u>

(See accompanying notes to financial statements)

The Market Development Fund
Notes to Financial Statements
March 31, 1984

1. Authority

The Market Development Fund is a special purpose fund established under the provisions of The Agricultural Products Market Development Fund Act. The Fund consists of monies transferred to it from sums appropriated out of the Consolidated Fund for that purpose by the Legislature. The Market Development Committee, also established under terms of this Act, may make grants and loans considered necessary for the promotion and development of markets for agricultural products produced or to be produced in the province. Assistance is provided by the Committee subject to the approval of the Minister of Agriculture.

2. Accounting Policies

The accounts of the Fund are maintained on a cash basis whereby revenue is recorded as received and financial assistance is recorded when paid.

In some cases, recipients may be required under certain conditions to repay all or a portion of assistance received from the Fund. In other cases, recoveries of financial assistance may be received from third parties pursuant to provisions of agreements entered into with the Committee. Where assistance recoverable from third parties is outstanding at year end, such amounts are classified as project advances. Repayments from recipients or from third parties are classified as refunds in the year repayment is received.

Certain projects have been co-sponsored by the Committee and the Federal Department of Regional Industrial Expansion with the total assistance in each case being financed initially by The Market Development Fund. The federal portion of assistance in such instances is paid directly to the Consolidated Fund of the Province, in accordance with policies established by the Department of Finance.

Administration costs are paid by the Department of Agriculture with the exception of certain costs of printing and professional services provided directly for the benefit of the Market Development Committee. No provision for the costs borne by the Department is included in the financial statements.

3. Financial Assistance Recoverable

The following schedule summarizes the amounts of financial assistance paid in the current and previous years which remains subject to repayment by recipients under certain conditions:

Fiscal Year Assistance Paid	Amount Subject to Repayment April 1, 1983	Current Year Payments (Repayments)	Amounts Earned or Written Off	Amount Subject to Repayment March 31, 1984
1979-80	\$ 7,250	\$ —	\$ —	\$ 7,250
1980-81	15,354	—	(7,729)	7,625
1981-82	44,398	—	—	44,398
1982-83	30,476	—	—	30,476
1983-84	—	30,111	—	30,111
	<u>\$97,478</u>	<u>\$30,111</u>	<u>\$(7,729)</u>	<u>\$119,860</u>

4. Outstanding Project Commitments

As applications for financial assistance are considered and approved by the Market Development Committee and the Minister, the projects are considered to be committed for administrative purposes although payment may be subject to the satisfaction of certain conditions or may be payable from monies appropriated for the Fund in future periods. The total of outstanding project commitments at March 31, 1984 was \$264,126 (1983 — \$280,291).

5. Due from Consolidated Fund

Pursuant to a Minister of Finance Order, the monies in The Market Development Fund have been deposited to the credit of the Fund at no interest in the Consolidated Fund of the Province.

Schedule 1**The Market Development Fund****Schedule of Financial Assistance****Year Ended March 31, 1984**

Applicant	Project	Payments in 1983-84
Agricultural Development Corporation of Saskatchewan	Lentil Evaluation and Market Development Project	\$ 4,837
C.S.P. Foods Ltd.	Sunflower Processing and Product Development	4,154
Saskatchewan Pulse Crop Growers Association	Pulse Growers Association Pulse Marketing Project	664
'Take Home a Taste of Saskatchewan'	Saskatchewan Is — Good Eating Promotion Campaign	1,233
1982 Royal Show Committee	1982 Royal Livestock Show, Stoneleigh	2,469
Saskatchewan Artificial Breeders Co-operative Ltd.	S.A.B.C. Extension and Distribution Program	14,706
Beef Information Centre	1982-83 BIC Beef Promotion	10,000
Agricultural Development Corporation of Saskatchewan	New Approach to Flax Seed Mucilage Processing	16,659
Saskatchewan Artificial Breeders Co-operative Ltd.	Bull Semen Market Development Program	554
Intercontinental Packers Ltd.	Intercon Ham Product and Market Development Project	1,439
C.S.P. Foods Ltd.	Mustard Meal Detoxification — Phase II	17,627
Miller Bros. Running MB Stock Farm Inc.	Embryo Market Development, Hawaii	511
Saskatchewan Quarter Horse Association	1983 Equitana Horse Show, Germany	2,700
Canola Council of Canada	Canola Oil Promotion Booklet	4,000
Lin-Can Ltd.	Flax Fiber Market Development	5,000
Saskatchewan Beekeepers Association	Honey Promotion and Market Development	10,000
Canadian Western Agribition	1983 Royal Agricultural Show, Stoneleigh	3,490
Canadian Western Agribition	1983 Royal Agricultural Society of the Commonwealth Conference	3,534
Saskatchewan Vegetable Marketing Commission	Feasibility of Industrial Potatoes in Saskatchewan	13,270
Kamsack Meat Processors Ltd.	Marketing Plan for Shishliki, Kamsack Meats (Phase 1)	1,500
Eildon Vale Farms Ltd.	Onion Market Development, Phase 1	4,000
Agricultural Development Corporation of Saskatchewan	Frozen Embryos to Hungary Project	4,722
Canadian Piedmontese Association	Piedmontese Show and Sale and Promotional Package	8,000
Saskatchewan Swine Breeders' Association	Saskatchewan Purebred Swine Breeders Book	1,252
Agricultural Development Corporation of Saskatchewan	Aberdeen Angus to Bulgaria Project	2,890
Canadian Western Agribition	1983 International Incoming Mission to Agribition	20,000
El Centro Sales Management	Three Elite Maine-Anjou Sale	3,275
Holstein-Friesian Association of Canada, Saskatchewan Branch	National Centennial Holstein Show and Sale	10,000
		<u><u>\$172,486</u></u>